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PART II—Section 3—Sub-section (1)

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MINISTRY OF FOOD & AGRICULTURE

(Department of Food)

ORDER

New Delhi, the 1st November 1962

G.S.R. 1460./Ess.Com./Sugarcane.—In exercise of the powers conferred by section 3 of the Essential Commodities Act, 1955 (10 of 1955), read with section 2 of the Sugarcane Control (Additional Powers) Act, 1962 (39 of 1962), the Central Government hereby makes the following Order further to amend the Sugarcane (Control) Order, 1955, namely:—

1. Short title.—This Order may be called the Sugarcane (Control) Amendment Order, 1962.

2. Substitution of clause 3A.—In the Sugarcane (Control) Order, 1955 (hereinafter referred to as the principal Order), for clause 3A, the following clause shall be substituted and shall be deemed to have been substituted with effect from the 1st day of November, 1958, namely:—

3A. "Additional price for sugarcane purchased.—(1) Where a producer of sugar or his agent purchases any sugarcane from a grower of sugarcane or a growers' co-operative society during each of the four successive years beginning on the 1st day of November, 1958, the producer shall, in addition to the minimum price of sugarcane fixed under sub-clause (1) of clause 3, pay to the grower or the co-operative society, as the case may be, an additional price, if found due, in accordance with the provisions of the Schedule hereto annexed.

(2) Nothing in sub-clause (1) shall apply to the purchase of sugarcane,—

(a) where such sugarcane is used for the production of sugar in a newly set up factory until the expiry of three years commencing from the year in which the factory is so set up;

(b) where the purchase is made by a producer of sugar, which is a co-operative society, from the members of that co-operative society.

(3) If the Central Government is satisfied that during any year a factory has made no profit or has made inadequate profit, that Government may, by order in writing, exempt either wholly or partially, any producer of sugar from payment of the additional price due from him under sub-clause (1) in respect of sugarcane purchased for that factory during that year.

(4) The Central Government may appoint any person or authority as it thinks fit for the purpose of determining the additional price due from a producer of sugar under sub-clause (1) for each of the successive four years beginning on

the 1st day of November, 1958 and when the price is so determined, the person or authority, as the case may be, shall intimate the same in writing to the producer.

(5) (a) Any producer of sugar who feels aggrieved by any decision of the person or authority referred to in sub-clause (4), may, within thirty days from the date of communication to him of such decision, appeal to the Central Government:

Provided that the Central Government may, if it is satisfied that the appellant had sufficient cause for not preferring the appeal within the aforesaid period of thirty days, admit the appeal if presented within a further period of fifteen days.

(b) The Central Government may, after giving an opportunity to the appellant to represent his case and after making such further enquiry as may be necessary, pass such order as it thinks fit.

(c) The decision of the officer or authority referred to in sub-clause (4) where no appeal is filed, and of the Central Government where an appeal is filed, shall be final.

(6) The price determined under sub-clause (4) or sub-clause (5), as the case may be, shall be paid at such time and in such manner as the Central Government may from time to time direct.

(7) Where any payment has been made in accordance with the directions issued by the Central Government under sub-clause (2) of clause 3A as it stood immediately before the date of the notification of the Sugarcane (Control) Amendment Order, 1962, then, notwithstanding anything contained in the foregoing provisions of this clause, such payment shall be deemed to have been made in lieu of the payment provided for in this clause as if that sub-clause were in force when the direction was issued or payment was made.

(8) In this clause, "co-operative society" means a co-operative society registered under the Co-operative Societies Act, 1912 (2 of 1912) or under any other law for the time being in force in any state relating to co-operative societies."

3. Insertion of new clause 4A.—In the principal Order, after clause 4, the following clause shall be inserted, namely:—

4A. "Power to call for information, etc.—The Central Government or any person authorised in this behalf by the Central Government, may, with a view to securing compliance with this Order or to satisfy itself or himself that this Order is complied with—

(a) require any producer of sugar to furnish within such period as may be specified such information, returns or reports as may be required relating to the recovery of sugar, duration of season, cost of manufacture, stocks of sugar, price realised or to be realised for sugar, molasses, press-mud and bagasse, amount realised or to be realised by way of refund of or exemption from excise duty or cane cess or purchase tax or by way of grant or subsidy given by the Central Government or a State Government, commission to co-operative societies paid or to be paid, amount spent on approved schemes of sugar cane development, commission paid on sale of sugar, export loss, amount spent on rehabilitation or amount transferred as reserve to a special rehabilitation account, or any other information that may be required for the purposes of this Order;

(b) inspect or cause to be inspected any accounts, books, registers or other documents belonging to or under the control of a producer of sugar or his agent and relating to any of the matters specified in sub-clause (a);

(c) enter and search or authorise any person to enter and search any premises of a producer of sugar or his agent."

4. Substitution of Schedule.—In the principal Order, for the Schedule, the following Schedule shall be substituted and shall be deemed to have been substituted with effect from the 1st day of November, 1958, namely:—

THE SCHEDULE

(See Clause 3A)

The amount to be paid on account of additional price (per maund or quintal of sugarcane) under clause 3A by a producer of sugar shall be computed in accordance with the following formula, namely:—

$$\frac{X}{100} \times \frac{(P-T-S-R)}{M} = Y$$

Explanation: In this formula—

(1) 'X' is the percentage cost of sugarcane to the total cost of sugar (excluding taxes) as determined by the Central Government from time to time on the basis of the recovery and duration of season of the factory for the year:

Provided that the cost of sugar (excluding taxes) shall be worked out on the basis of the relevant schedule of costs given in the report of the Tariff Commission (1959) on the Cost Structure of Sugar and Fair Price payable to the Sugar Industry, subject to the adjustment of such rise in cost subsequent to the Tariff Commission enquiry in 1959 as in the opinion of the Central Government cannot be absorbed by the margin for contingency included in the relevant schedule and the consequent rise in return.

(2) 'P' is the sum of (i) the average ex-factory price (per maund or quintal) realized by a producer of sugar and adjusted to ISS Grade D-29 according to the price differentials fixed by Government, (ii) the money realized by the producer of sugar from the sale of molasses, press-mud and bagasse, in relation to each maund or quintal of sugar, and (iii) any amount realized by the producer of sugar by way of refund or exemption of excise duty or cane cess or cane purchase tax, or by way of grant of subsidy given by the Central Government or a State Government in relation to each maund or quintal of sugar:

Provided that out of the rebate of excise duty granted to a producer of sugar by virtue of the notification of the Government of India in the Ministry of Finance Nos. GSR 706 dated the 25th June, 1960 and GSR 664 dated the 4th May, 1961, only 75 per cent of such rebate shall be included.

(3) 'T' is the amount paid in relation to each maund or quintal of sugar on account of excise duty, cane cess, cane purchase tax, commission paid to co-operative societies or cess imposed on sugar or sugarcane by the Central Government or a State Government or by any authority and any sum spent on approved schemes of sugarcane development.

(4) 'S' is the actual amount of commission paid in relation to each maund or quintal of sugar:

Provided that such amount shall not exceed seventy-five naye paise for every sum of rupees one hundred of sugar sold:

Provided further that no commission shall be taken into account in respect of sugar sold directly by a producer of sugar or in pursuance of any order of the Central Government.

(5) 'R' is such allowance per maund or quintal of sugar for the factory as may be deemed reasonable by the Central Government, having regard to the amount actually spent by the factory on rehabilitation during the year and the amount transferred as reserve to a special rehabilitation account during the year.

(6) 'M' is the weight in maunds or quintals of sugarcane required to produce a maund or quintal of sugar and such weight shall be calculated by dividing the total weight of the sugarcane purchased by the weight of the sugar produced therefrom and for this purpose, the weight of sugarcane purchased shall be the sum of the total weight of sugarcane crushed plus actual drilage, subject to a ceiling of one percent, on the weight of sugarcane purchased at centres other than the factory gate.

(7) 'Y' is the total sum of (i) the minimum price of sugarcane per maund or quintal fixed by the Central Government under sub-clause (1) of clause (3) of the Sugarcane (Control) Order, 1955, (ii) any extra price paid by the producer for sugarcane in addition to the aforesaid minimum price, and (iii) the premium, if any, paid for any approved variety of sugarcane or under any scheme approved by the Central Government for payment of price of sugarcane on the basis of quality:

Provided that rebates, if any, allowed in the minimum price aforesaid (excluding a rebate allowed on account of transport charges) shall be deducted from the total sum aforesaid.

[No. 8-63/61-SEXP-II.]

L. G. RAJWADE, Jt. Secy.